

SENATE BILL No. 36

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-3.7.

Synopsis: Taxation of civil service annuities. Increases the civil service annuity income tax deduction from \$2,000 to \$10,000 over a seven year phase-in period. Provides that the deduction is available to a surviving spouse.

Effective: January 1, 2008 (retroactive).

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January 8, 2008, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 36

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-2-3.7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
3 Sec. 3.7. ~~Each taxable year,~~ **(a) Except as provided by subsection (b),**
4 **an individual or the individual's surviving spouse** is entitled to an
5 adjusted gross income tax deduction **each taxable year** equal to the
6 remainder of:

7 (1) ~~the first two thousand dollars (\$2,000) for taxable years~~
8 **beginning in:**

9 **(A) 2008 and 2009, the first four thousand dollars (\$4,000);**

10 **(B) 2010 and 2011, the first six thousand dollars (\$6,000);**

11 **(C) 2012 and 2013, the first eight thousand dollars**
12 **(\$8,000); and**

13 **(D) 2014 and thereafter, the first ten thousand dollars**
14 **(\$10,000);**

15 which is received by the individual **or the individual's surviving**
16 **spouse** during the taxable year from a federal civil service annuity
17 and which is included in adjusted gross income under Section 62



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1 of the Internal Revenue Code; minus
2 (2) the total amount of Social Security benefits and railroad
3 retirement benefits received by the individual **or the individual's**
4 **surviving spouse** during the taxable year. ~~However,~~

5 **(b)** The individual is only entitled to the deduction provided by this
6 section if the individual is at least sixty-two (62) years of age before the
7 end of the taxable year. **This subsection does not apply to an**
8 **individual's surviving spouse.**

9 SECTION 2. **An emergency is declared for this act.**

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